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Oct 4 1957

Enc./

Honorable Franklin G. Floete
Administrator
General Services Administration
Washington 25, D. C.

Dear Mr. Floete:

On August 28, 1957, you forwarded to this Agency for review and comment a proposed General Services Administration General Regulation entitled, "Small Business Set-aside Program."

We have reviewed this proposed Regulation and do not have any suggestions for changes. Accordingly, we have no objection to its publication as a General Regulation. In our opinion, however, strict compliance with the procedures of the Regulation would create serious security problems and conflict with the responsibility imposed upon the Director of Central Intelligence by Section 102(d) of the National Security Act of 1947. In such cases we would be required to comply with the provisions of the National Security Act to the extent of any conflict with the General Regulation. For example, matters pertaining to classified contracts are handled even within our own procurement office on a "need-to-know" basis. It is evident, therefore, that application of this principle to non-Agency employees, even though cleared, is a logical extension of this policy. This, however, should not affect our ability to adhere to the principles enunciated in the Regulation in supporting the objectives of the Small Business Act.

Sincerely,

Signed

L. K. White
Deputy Director

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OL/ADL/WHM/di (2 Oct 57)
OL/PD/WSW/hp (3 Oct 57)

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DD/S 58-4756 47

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Mr. Phil W. Jordan, Chairman
Task Force for Review of
Government Procurement
Policies and Procedures
General Services Administration
Washington 25, D. C.

Dear Mr. Jordan:

Your letter of September 12, 1958 submitted for review
proposed General Regulation entitled, "Small Business Procurement
Set-Asides and Certificates of Competency."

We have reviewed this proposed regulation and have no specific
suggestions for changes. Accordingly, we have no objection to its
publication as General Regulation.

In our opinion, however, strict compliance with certain pro-
cedures of the regulation would create serious security problems
and conflict with the responsibility imposed upon the Director of
Central Intelligence by Section 1-2(d) of the National Security Act
of 1947.

Under the circumstances our opinion respecting this currently
proposed General Regulation is the same as that previously given
the Administrator, General Services Administration on this subject
in our letter of October 3, 1947.

Sincerely,

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L. J. White
Deputy Director

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SL/PO: [redacted] Feb/75 13 Oct 1958

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SUBJECT: Task Force for Review of Government Procurement
Policies and Procedures - Proposed GSA Regulation
transmitted by letter dated 12 September 1958 and
signed by Phil W. Jordan, Chairman

CONCURRENCES:

STATINTL

for 
Chief, Procurement Division/OL


10/30/58
Date

STATINTL

for 
Chief, Real Estate & Construction/OL

10/30/58
Date

STATINTL

for 
Chief, Security Staff/OL

10/30/58
Date

STATINTL


Assistant General Counsel

11/5/58
Date